

# HOUSE . . . . . No. #####

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## The Commonwealth of Massachusetts

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DEVAL L. PATRICK  
GOVERNOR

TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR

EXECUTIVE DEPARTMENT  
STATE HOUSE • BOSTON 02133  
(617) 725-4000

February 15, 2007.

To the Honorable Senate and House of Representatives:

I am filing for your consideration the attached legislative proposal, entitled, "An Act Establishing the Municipal Partnership Act."

This legislation will encourage cooperation between the Commonwealth and its communities to strengthen municipal authority and provide local governments with increased flexibility to address their unique challenges. These goals will be achieved by several measures including: eliminating utility corporation tax loopholes for telecommunications companies; authorizing local governments to join the Group Insurance Commission to provide health care coverage for local employees; providing more accountability in investing local pension funds; providing cities and towns with opportunities to obtain more financial resources through optional local hotel and restaurant taxes; allowing cities and towns to take advantage of state-wide economies by advertising invitations for bids on the Commonwealth's website; creating the position of Director of Municipal Affairs; increasing flexibility in municipal borrowing; and creating a commission to study the use of state technology for municipal purposes and a commission to study ways to increase local authority in areas requiring home rule petitions.

I urge your prompt and favorable consideration of this bill to promote partnerships and improve working relationships with cities and towns across the Commonwealth.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deval Patrick", written over a horizontal line.

DEVAL L. PATRICK,  
*Governor.*

## The Commonwealth of Massachusetts

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In the Year Two Thousand and Seven.

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### AN ACT ESTABLISHING THE MUNICIPAL PARTNERSHIP ACT.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. Chapter 10 of the General Laws is hereby amended by inserting after section 35CC the following section:-

Section 35DD. There shall be established and set up on the books of the commonwealth a separate fund to be known as the Municipal Property Tax Exemption Reimbursement Fund to be expended, without appropriation, for the purpose of reimbursing cities and towns for taxes abated under clause Forty-first, Forty-first B or Forty-first C of section 5 of chapter 59. The trustee of the fund shall be the secretary of administration and finance. The fund shall consist of revenues received by the commonwealth under section 3A of chapter 64G and section 2A of chapter 64H.

SECTION 2. The first paragraph of section 1 of chapter 14 of the General Laws, as so appearing, is hereby amended by adding the following sentence:- The deputy commissioner for local services shall also be known as the director of municipal affairs, and shall report to the commissioner and to the secretary.

SECTION 3. Section 5 of chapter 30B of the General Laws, as so appearing, is hereby amended by inserting after the word “body”, in line 32, the following words:- or on a public internet website of either the governmental body or the commonwealth.

SECTION 4. Section 19 of chapter 32 of the General Laws, as so appearing, is hereby amended by adding the following paragraph:-

A retirement board may deduct from a retiree’s pension check the per cent contribution of health insurance premiums for a retired member receiving group life insurance, group accidental death and dismemberment insurance, group general or blanket hospital, surgical, medical, dental or other health insurance coverage under chapter 32B. If the amount of the retired member’s pension check is insufficient to accommodate the entire deduction, upon notice from the retirement board, the employer for whom the member last worked and from whom the member is retired shall bill the retired member for the employee’s share of the premiums.

SECTION 5. Section 22 of chapter 32 of the General Laws, as so appearing, is hereby amended by inserting after line 14 the following paragraph:-

Notwithstanding any general or special law to the contrary, each system that, in any year after 2006 has a funded ratio of less than 80 per cent, and has a rate of return over the past 5 years, as determined by the commission, that is at least 2.25 per cent less than the PRIT Fund rate of return over the same period shall transfer all of its assets to the PRIT Fund for investment. A system that would otherwise be required to transfer its assets under this section may appeal to the commission and receive an exemption from this transfer requirement if the rate of return for that system has exceeded the PRIT Fund rate of return for the previous 2 years or if the rate of return was affected by other extenuating

circumstances. The commission shall adopt regulations governing this appeal process.

SECTION 6. Section 3 of chapter 32A of the General Laws, as so appearing, is hereby amended by inserting after the first sentence the following 4 sentences:- In addition to the members described in the previous sentence, there shall be at least 2 but not more than 4 municipal representatives who shall be members of the group insurance commission. One management representative shall be appointed by the governor from a list of 3 representatives provided by the Massachusetts Municipal Association, and 1 labor representative shall be appointed by the governor from a list of 3 representatives provided by the president of the teachers' union with the greatest number of active and retired members enrolled in commission health plans. In addition, upon the transfer of 25,000 subscribers from municipal governmental units to the group insurance commission under section 19 of chapter 32B, there shall be a second management representative appointed by the governor from a list of 3 representatives provided by the Massachusetts Municipal Association and a second labor representative appointed by the governor from a list of 3 representatives of municipal public safety employees provided by the president of the Massachusetts chapter of the AFL-CIO. If the governor fails to take action within 180 days to appoint any of these representatives to the commission, a representative from the list from which no action has been taken shall be appointed to the commission by the relevant organization.

SECTION 7. Said section 3 of said chapter 32A, as so appearing, is hereby further amended by striking out, in line 13, the word "five" and inserting in place thereof the following words:- 55 per cent of the.

SECTION 8. Chapter 32B of the General Laws is hereby amended by striking out section 19, as so appearing, and inserting in place thereof the following section:-

Section 19. (a) Notwithstanding any other section in this chapter, the appropriate public authority of any governmental unit which has undertaken to provide health coverage to its subscribers by acceptance of any other section of this chapter may instead elect to provide health coverage to its subscribers under this section, by entering into a contract or contracts with any 1 or more health carriers, or by transferring its subscribers to the group insurance commission established in chapter 32A, under subsection (e) of this section. For the purposes of this section, subscribers shall be defined as employees, retirees, surviving spouses, and dependents of the governmental unit, and may include any employees, retirees, surviving spouses and dependents of a district as defined in section 2 that previously received health insurance benefits through the governmental unit accepting this section. This section shall take effect in a county, except in Worcester county, city, town or district upon its acceptance in the following manner: in a county except in Worcester county, by a vote of the county commissioners; in a city having Plan D or a Plan E charter, by majority vote of its city council and approval by the manager; in any other city by majority vote of the city council and approval by the mayor; in a town, by vote of the board of selectmen; in a regional school district, by vote of the regional district school committee; and in all other districts, by vote of the registered voters of the district at a district meeting.

Acceptance of this section shall not take effect until a written agreement is reached between the appropriate public authority and the public employee committee established under this section, and the written agreement may condition acceptance of this section upon transferring of subscribers into the group insurance commission under subsection (e) of this section.

A written agreement to transfer subscribers to the commission under this section shall be the sole means by which the subscribers of a governmental unit may be transferred to group insurance commission coverage.

Notwithstanding subsection (c) of section 4B of chapter 4, the acceptance of this designation may be revoked in the same manner it was accepted in accordance with all other subsections of section 4B of chapter 4, subject to the requirements of any public employee committee agreements as provided in this section and chapter 150E, but revocation of this section shall not take effect until a written agreement providing for revocation is reached between the appropriate public authority and the employee committee established under this section. Nothing in this section shall preclude an appropriate public authority from agreeing to establish a health and welfare trust fund under section 15.

Except as otherwise provided in subsection (e) of this section, any such contract or contracts with any one or more health insurance carriers shall be in conformity with an agreement reached by an appropriate public authority and a public employee committee. Such election by the appropriate public authority may be renewed in conformity with any successor agreement reached with a public employee committee.

The public employee committee shall be composed of a representative of each collective bargaining unit with which the governmental unit negotiates under chapter 150E and a retiree. Either the public employee committee or the appropriate public authority may convene the initial meeting of this committee at any time upon 30 days notice. The retiree representative shall be a designee of the Retired State, County and Municipal Employees Association. The retiree representative shall have a 10 per cent vote. The remaining 90 per cent vote shall be divided as follows: each collective bargaining unit represented on the public employee committee shall have a weighted vote equal to the proportion which the number of employees eligible for health insurance under this chapter employed in the bargaining unit he represents bears to the total number of employees eligible for health insurance in all bargaining units of the governmental unit. Any agreement with the public authority must be approved by 70 per cent of the weighted votes of the representatives on the public employee committee as set forth in this section, and shall be binding on all subscribers and their representatives.

For the purposes of this section, a health carrier shall include any insurance company organized under chapter 175, hospital service corporation organized under chapter 176A, medical service corporation organized pursuant to chapter 176B, a health maintenance organization organized under chapter 176G, a preferred provider organization organized under chapter 176I, or, in the case of a governmental unit which is partially or fully self-insured with respect to health coverage, any third party administrator selected by the governmental unit, which may include but is not limited to any health carrier.

An agreement approved under this section shall be binding on all active and retired employees for whom health coverage is being purchased; shall supersede any conflicting provisions of all collective bargaining agreements and shall itself not be superseded in any statutory impasse proceeding under chapter 150E, but the agreement may include procedures for resolving an impasse in negotiations for a successor agreement. Any dispute arising over the interpretation or application of the public employee committee agreement under this section may be submitted to binding arbitration under the labor arbitration provisions of the American Arbitration Association upon request of the public employee committee or the appropriate public authority, except as otherwise provided in subsection (f). Any request must be approved by 70 per cent of weighted votes of the representatives on the public employee committee as set forth in this section, or where applicable by a majority vote of the appropriate public authority.

A governmental unit which elects to provide health coverage to subscribers under this section shall be considered in full compliance with any other provisions of this chapter regulating the procurement of health insurance.

A governmental unit which elects to provide health coverage under this section under an agreement approved by a public employee committee, may provide coverage either as a single governmental unit or, under section 12, through joint purchase with other governmental units or, with multiple governmental units, through a risk-sharing pool, trust or health carrier or third party administrator, or by making payments to a health and welfare trust fund to provide health coverage under this section either as a single governmental unit or together with multiple governmental units.

The appropriate public authority may contract with a health carrier for direct coverage of subscribers for whom the carrier's geographic service area provides appropriate access and coverage for other subscribers in accordance with subsection (d).

(b) Nothing in this section shall be considered to require, preclude or permit any change in any aspect of health coverage for subscribers authorized by this section except where an agreement to provide for this change is reached by an appropriate public authority and a public employee committee in an agreement entered into or modified after the effective date of this subsection except as otherwise provided in subsection (e).

In the absence of a successor agreement approved under this section, the prior agreement of the public employee committee and the appropriate public authority regarding the provision of health insurance shall remain in effect.

(c) Nothing in this section shall be construed to relieve any governmental unit from providing health coverage to any employee, retiree, surviving spouse or dependent to whom it has an obligation to provide coverage under any other provision of this chapter.

(d) The agreement reached between an appropriate public authority and the public employee committee shall provide for those subscribers who, by reason of residence or domicile, cannot be appropriately served within the service area of the health carrier or carriers included in the agreement, subject to this subsection.

Coverage for subscribers under this subsection shall be under and in conformity with the agreement required by this section and shall conform to all requirements of this section. The agreement reached between an appropriate public authority and the public employee committee shall provide that any subscriber who for reasons of residency is not eligible for enrollment in a plan offered by a governmental unit shall be covered under a plan offered under chapter 176I, if that plan is provided for under the agreement, but a subscriber who lives 10 miles or more from the nearest primary care physician providing care under the plan shall have out-of-pocket payments and medical deductibles limited to the amount that the subscriber would have paid had he utilized the network of medical services of the plan offered under chapter 176I. If the agreement reached between the appropriate public authority and the public employee committee provides for only health maintenance organizations or other health carriers that limit enrollment to a particular geographic area, then, notwithstanding any general or special law to the contrary, health maintenance organizations or other health carriers shall provide for the coverage of services provided or arranged for all subscribers who do not reside within the geographic service area of these carriers in the following manner: Any subscriber not eligible for direct coverage due to the subscriber's residency shall have the same benefit schedule and premium contribution provided to subscribers residing within the carrier's geographic service area, including but not limited to covered services, out-of-pocket payments and medical deductibles for any and all medical services provided for or arranged under the agreement.

(e) Where an agreement reached by an appropriate public authority and the public employee committee covering the public employee committee of the governmental unit executed or modified so provides, the appropriate public authority shall notify the group insurance commission that it will transfer to the commission all subscribers for whom it provides health coverage. This notice shall be provided to the commission by the appropriate public authority no later than October 1, and the transfer of subscribers to the commission shall take effect as of the following July 1. On the effective date of the transfer, the health insurance of all subscribers, including elderly governmental retirees previously governed by section 10B of chapter 32A and retired municipal teachers previously governed by section 12 of chapter 32A, shall be provided through the group insurance commission for all purposes and governed under this section. As of the effective date and for the duration of the transfer, subscribers transferred to the commission's health coverage shall receive group health insurance benefits determined exclusively by the group insurance commission, which coverage shall not be subject to collective bargaining with the exception of contribution ratios which shall be determined by the written agreement.

All subscribers transferred to the commission who are eligible or become eligible for Medicare coverage shall be required to transfer to Medicare coverage, as prescribed by the group insurance commission. In the event of transfer to Medicare, the governmental unit shall pay any Medicare part B premium penalty assessed by the federal government on the retirees, spouses and dependents as a result of enrollment in Medicare part B at the time of transfer into the Medicare health benefits supplement plan.

For each subscriber's premium and the governmental unit's share of the premium, the subscriber and the governmental unit shall furnish to the commission, in the form and content that the commission shall prescribe, all the information it determines to be necessary to maintain subscribers' and covered dependents' health coverage. The appropriate public authority of the governmental unit shall perform the administrative functions and process the information that the commission considers necessary to maintain the subscribers' health coverage, including but not limited to family and personnel status changes, and shall report all these changes monthly to the commission. If a governmental unit transfers subscribers to the group insurance commission under this section, subscribers may be withdrawn from commission coverage at either 3 or 6 year intervals from the date of transfer of subscribers to the commission, as determined by the written agreement which shall specify the withdrawal interval and withdrawal procedures. The written agreement may specify the procedures for resolving an impasse in negotiations over whether to withdraw from commission coverage and for determining health coverage and contribution ratios for subscribers for the year following withdrawal from the commission, but if binding arbitration is included in the written agreement, the agreement shall provide that the dispute shall be submitted to arbitration administered by the American Arbitration Association under the procedures set forth in its Labor Arbitration Rules, unless the written agreement provides for a different method of arbitration.

The decision and notice to withdraw must be made by October 1 of the year prior to the effective date of withdrawal. All withdrawals shall be effective on July 1 following the governmental unit's notice to the commission. Except as otherwise provided in the written agreement, withdrawal from commission coverage shall revoke adoption of this section and any written agreements related to the implementation of this section as of the effective date of withdrawal. In the event that the acceptance of this section is revoked, the appropriate public authority of the governmental unit shall abide by all commission requirements for effectuating the withdrawal, including the notice requirements in this subsection. If a governmental unit withdraws from group

insurance commission coverage under this section, the withdrawal shall be binding on all subscribers, including those subscribers who, before the transfer to the commission, received coverage from the commission under sections 10B and 12 of chapter 32A, but after withdrawal from the commission, those subscribers who are retired municipal teachers or elderly governmental retirees shall under no circumstances pay greater than 25 per cent of the cost of their health insurance premiums.

In the event of revocation under this section, the governmental unit and public employee unions shall return to governance of negotiations of health insurance under chapter 150E and chapter 32B on the effective date of withdrawal from commission coverage, to negotiate healthcare coverage for subscribers after that date.

(f) To the extent authorized under chapter 32A, the commission shall provide group coverage of subscribers' health claims incurred after transfer to the commission. The claim experience of these subscribers shall be maintained by the commission in a single pool and combined with the claim experience of all covered state employees and retirees and their covered dependents, including those subscribers that previously received coverage under section 10B of chapter 32A and section 12 of chapter 32A.

Notwithstanding any general or special law to the contrary, any governmental unit that self-insures its group health plan under section 3A of this chapter which has a deficit in its claims trust fund at the time of transferring its subscribers to the group insurance commission attributable to failure to accrue claims which had been incurred but not paid may capitalize the deficit and amortize the amount over 10 fiscal years in 10 equal amounts, or on a schedule providing for a more rapid amortization.

Except as otherwise provided in this section, subscribers eligible for health coverage under subsection (e) shall be subject to all of the terms, conditions, schedule of benefits, and health carriers as employees and dependents defined by chapter 32A and commission regulations. The commission shall determine all matters relating to subscribers' group health insurance rights, responsibilities, costs and payments excluding contribution ratios, and obligations, including but not limited to the manner and method of payment, schedule of benefits, eligibility requirements, and choice of health carriers. These matters shall be determined exclusively by the commission and shall not be subject to collective bargaining, the written agreement or to arbitration under the agreement. The commission may issue rules and regulations consistent with this section and shall provide public notice of proposed rules and regulations promulgated under this section and notice of these rules and regulations at the request of interested parties, opportunity to review the rules and regulations, and opportunity to comment on the rules and regulations in writing and at a public hearing, but under no circumstances shall the commission be subject to chapter 30A.

The commission shall negotiate and purchase health coverage for subscribers transferred under subsection (e) and shall promulgate regulations, policies, and procedures for coverage of the transferred subscribers. The schedule of benefits available to the transferred subscribers shall be determined by the commission in accordance with chapter 32A. The commission shall offer these subscribers the same choice as to health carriers and benefits as those provided to state employees and retirees. The governmental unit's contribution to the cost of health coverage for these subscribers shall be as determined under this section and shall not be subject to the provisions on contributions in said chapter 32A. Any change to the premium contribution ratios shall become effective as of July 1 of each year, with notice to the commission of the change no later than January 15 of the same year.

Any governmental unit that transfers subscribers to the group insurance commission shall pay the commonwealth for all costs of its subscribers' coverage, including the entire cost of applicable administrative expenses and the governmental unit's proportional cost of subscribers' premiums. The commission shall determine on a periodic basis the amount of premium and administrative expenses which the governmental units shall pay to the state treasurer and shall certify the amounts to the state treasurer for assessment. The state treasurer shall issue a warrant in the manner provided by section 20 of chapter 59 requiring the governmental units concerned to pay into the treasury of the commonwealth as prescribed by the commission the amounts of these premium and administrative expenses attributable to the governmental units. The treasurer shall bill the participating governmental unit for the full cost of coverage, including the administrative fee, in accordance with policies and procedures established by the commission and the treasurer. The commonwealth may, at its option, recoup any past due costs from the governmental unit's cherry sheet under section 20A of chapter 58. If a governmental unit fails to pay to the treasurer the costs of coverage for more than 90 days and the cherry sheet provides an inadequate source of payment, the commission may, at its discretion, cancel the coverage of subscribers of that governmental unit. In the event of cancellation due to nonpayment, the governmental unit shall provide all subscribers with health coverage under plans which are the actuarial equivalent of plans offered by the commission in the preceding year until there is an agreement with the public employee committee providing for replacement coverage.

The commission may also charge the governmental unit an administrative fee, which shall not be more than 1 per cent of the cost of total premiums for the governmental unit, to be determined by the commission, which shall be considered as part of the cost of coverage for purposes of determining the contributions of the governmental unit and its employees to the cost of health coverage by the commission. The administrative fee charged under this section shall be placed in a retained revenue account and used by the commission to pay any personnel or other costs associated with the administration of municipal insurance health coverage.

(g) Any agreement reached between the governmental unit and the public employee committee, including an agreement to transfer subscribers to the group insurance commission, shall provide that within the same health coverage plan the percentage contributed by the governmental unit to the premium or cost of health coverage shall be the same for all subscribers covered under this section. The payments shall differ only by the type of coverage elected under the plan, individual, family, optional Medicare extension or other, but the percentage contributed by the governmental unit may vary among the different health coverage plans offered under the agreement reached between the governmental unit and the public employee committee. The agreement reached under this section shall provide that the percentage contributed by the governmental unit to the premium or cost of at least 1 Medicare extension plan available to all eligible subscribers shall be no less than the minimum percentage contributed by the governmental unit to any other health coverage plan offered under the agreement reached under this section. Any governmental unit that accepts this section shall establish by agreement with the public employee committee a contribution by the governmental unit to the premium or cost of health coverage that provides for a minimum of 50 per cent but not more than 99 per cent. Notwithstanding this subsection, where there is an agreement to transfer subscribers to the group insurance commission, subscribers whose coverage was governed by section 10B of chapter 32A or section 12 of chapter 32A before the date that the written agreement is signed shall not be required to contribute more than 25 per cent of their health insurance premiums, but the



written agreement may provide for a premium contribution paid by those subscribers of less than 25 per cent.

(h) In the event of revocation of or withdrawal from the group insurance commission under this section, all retirees, their spouses and dependents insured or eligible to be insured by the governmental unit, if enrolled in Medicare part A at no cost to the retiree, spouse or dependents, shall be required to be insured by a Medicare extension plan offered by the governmental unit under section 11C or section 16. Each retiree shall provide the governmental unit, in the form that the governmental unit shall prescribe, the information that is necessary to transfer to a Medicare extension plan. If a retiree does not submit the information required, he shall no longer be eligible for his existing health coverage. The governmental unit may from time to time request from any retiree, a retiree's spouse and dependents, proof certified by the federal government of that person's eligibility or ineligibility for Medicare part A and part B coverage. The governmental unit shall pay any Medicare part B premium penalty assessed by the federal government on retirees, spouses and dependents as a result of enrollment in Medicare part B at the time of transfer into the Medicare health benefits supplement plan.

(i) Where a public employee committee and governmental entity have an agreement under this section as of July 31, 2006, the agreement shall remain in full force and effect and shall henceforth be governed by this section, but if the agreement provides for the transfer of subscribers to the group insurance commission, the public employee committee and the governmental unit shall amend the agreement, as needed, to be consistent with state law.

SECTION 9. Section 7 of chapter 44 of the General Laws, as so appearing, is hereby amended by inserting after the word "specified", in line 3, the following words: - or, except with respect to clauses (11), (16), (18), (21) and (22), within such longer period not to exceed 30 years based upon the maximum useful life of the public work, improvement or asset being financed, as determined by the mayor or town council or the board of selectmen of a town without a town council.

SECTION 10. Said section 7 of said chapter 44, as so appearing, is hereby further amended by striking out in lines 50 to 53 the words "or for such maximum term, not exceeding 15 years, based upon the maximum useful life of the equipment as determined by the board of selectmen or the mayor or city manager of the city or town".

SECTION 11. Said section 7 of said chapter 44, as so appearing, is hereby further amended by inserting after clause (31) the following clause:-

(32) For any other public work, improvement or asset not specified in any of the above clauses, with a maximum useful life of at least 5 years, determined as provided in the first sentence of this section, 5 years.

SECTION 12. Section 8 of said chapter 44, as so appearing, is hereby amended by inserting after the word "specified", in line 3, the following words: - or except with respect to clauses (1), (2), (3A), (5), (6), (7), (9) and (19), within such longer period not to exceed 30 years based upon the maximum useful life of the public work, improvement or asset being financed as determined by the mayor or town council or the board of selectmen of a town without a town council.

SECTION 13. Said section 8 of said chapter 44, as so appearing, is hereby further amended by striking out, in lines 77 and 78, the words "a board composed of the attorney general, the state treasurer and the director" and

inserting in place thereof the following words: - the municipal finance oversight board.

SECTION 14. Said section 8 of said chapter 44, as so appearing, is hereby further amended by inserting after the word “vote”, in line 190, the following words: - , provided, however, that debt under clause (9) of this section may be authorized by the treasurer of a city, with the approval of the official whose approval is required by the city charter in the borrowing of money, the treasurer of a town with a town council form of government, with the approval of the official whose approval is required by the town charter in the borrowing of money, the treasurer of a town without a town council form of government, with the approval of the board of selectmen, and the treasurer of a district, with the approval of the prudential committee, if any, otherwise of the commissioners.

SECTION 15. Section 9 of said chapter 44, as so appearing, is hereby amended by inserting after the word “eight”, in line 3, the following words: - with the determination of the maximum useful life of any public work, improvement or asset under these sections being determined by the prudential committee, if any, or otherwise by the board of commissioners,

SECTION 16. Said chapter 44 is hereby further amended by striking out section 19, as so appearing, and inserting in place thereof the following section:-

Cities, towns and districts shall not issue any notes payable on demand, and they shall provide for the payment of all debts, except temporary loans incurred under sections 4, 6, 6A, 8C, and 17, or under section 3 of chapter 74 of the acts of 1945, by annual payments that will extinguish the same at maturity, and so that the first of these annual payments on account of any serial loan shall be made not later than the end of the next complete fiscal year commencing after the date of the bonds or notes issued for the serial loan, and shall be arranged so that for each issue the amounts payable in the several years for principal and interest combined shall be as nearly equal as practicable in the opinion of the officers authorized to issue the bonds or notes, or in the alternative, in accordance with a schedule providing a more rapid amortization of principal; and these annual amounts, together with the interest on all debts, shall, without further vote, be assessed until the debt is extinguished.

SECTION 17. Section 21A of said chapter 44, as so appearing, is hereby amended by inserting after the word “law”, in line 10, the following words: - , and provided further that no order or vote authorizing the issuance of refunding bonds or notes shall be subject to any referendum provisions contained in any general or special law, any city or town charter, any city ordinance or town by-law, or other provision.

SECTION 18. Section 22 of said chapter 44, as so appearing, is hereby amended by adding the following sentence: - Notwithstanding the above, the selectmen may delegate to the town treasurer the approval of the rate or rates of interest with any limitations that the selectmen determine to be in the best interests of the town.

SECTION 19. Section 22A of said chapter 44, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence: - Bonds or notes issued by a city may be secured in whole or in part by insurance or by letters or lines of credit or other credit facilities, provided that the city treasurer and mayor or city manager, as applicable,

determine that issuing bonds or notes on this basis is in the best interests of the city.

SECTION 20. Section 22B of said chapter 44 is hereby repealed.

SECTION 21. Subsection (f) of section 28C of chapter 44 of the General Laws, as so appearing, is hereby amended by inserting after the first sentence the following sentence:- A city or town may provide that a fee or charge imposed under this subsection is mandatory unless the city or town grants an exemption. Fees or charges collected by the city or town need not be maintained in a separate fund.

SECTION 22. Section 8 of chapter 58 of the General Laws, as so appearing, is hereby amended by striking out the second and third paragraphs and inserting in place thereof the following paragraph:-

The commissioner shall make, and from time to time revise, rules and regulations necessary for establishing an expedited procedure for granting authority to abate taxes, assessments, rates, charges, costs or interest under this section in such cases as he determines are in the public interest and shall from time to time for such periods as he considers appropriate authorize the assessors or the board or officer assessing the tax, assessment, rate or charge, to grant these abatements. No abatement authorized by these procedures shall be granted unless the assessors or board or officer shall certify, in writing, under pains and penalties of perjury that the procedures have been followed. The commissioner shall require yearly reports and audits of these abatements by assessors or boards or officers that the commissioner considers necessary to ensure that any authority granted under this paragraph has been properly exercised, and shall withdraw this grant of authority to any particular assessors, board or officer upon his written determination that the authority has been improperly exercised. The commissioner may make, and from time to time revise, reasonable rules and regulations that he considers necessary to carry out this paragraph.

SECTION 23. Section 5 of chapter 59 of the General Laws, as appearing in the 2004 Official Edition, is hereby amended by inserting after the word “than”, in line 220, the following words:- a telephone or telegraph corporation taxed under section 52A of chapter 63 or.

SECTION 24. Said section 5 of said chapter 59 of the General Laws, as so appearing, is hereby further amended by inserting after the words “two A”, in line 223, the following words:- , other than a telephone or telegraph corporation,.

SECTION 25. Said section 5 of said chapter 59 of the General Laws, as so appearing, is hereby further amended by inserting after the word “sixty-three”, in line 239, the following words:- or a telephone or telegraph corporation taxed under section 52A of chapter 63.

SECTION 26. Clause Fifth of section 18 of said chapter 59, as so appearing, is hereby amended by adding the following 2 sentences:- Poles, underground conduits, wires and pipes of telecommunications companies laid in or erected upon public or private ways and property shall be assessed to their owners in the towns or cities where they are laid or erected. For purposes of this clause, telecommunications companies shall include cable television, internet service, telephone service, data service and any other telecommunications service providers.

SECTION 27. Section 39 of said chapter 59, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following 4 sentences:- The valuation at which the poles, wires and underground conduits, wires and pipes of all telephone and telegraph companies shall be assessed by the assessors of the respective cities and towns where the property is subject to taxation shall be determined annually by the commissioner of revenue subject to appeal to the appellate tax board, as provided in this section. Other taxable personal property of telephone and telegraph companies shall be valued and assessed by the assessors of the respective cities and towns where the property is subject to taxation, in the same manner as other personal property is valued and assessed under this chapter. For purposes of sections 39 to 42, telephone and telegraph companies shall include only those telecommunications companies which own and operate two-way voice communications service over wires or cables and are subject to rate regulation by the department of telecommunications and energy. Towers and monopoles used to support machinery and equipment for wireless communications shall not be considered poles under this section and shall be considered part of the real estate subject to valuation and assessment by local assessors.

SECTION 28. Chapter 64G of the General Laws is hereby amended by striking out section 3A, as so appearing, and inserting in place thereof the following section:-

Section 3A. (a) Any city or town which accepts this section may impose a local excise tax upon the transfer of occupancy of any room or rooms in a bed and breakfast establishment, hotel, lodging house or motel located within that city or town by any operator at a rate up to, but not exceeding, 5 per cent of the total amount of rent for each occupancy. No excise shall be imposed if the total amount of rent is less than 15 dollars per day or its equivalent or if the accommodation is exempt under section 2 of this chapter. The operator shall pay the local excise tax imposed under the provisions of this section to the commissioner at the same time and in the same manner as the excise tax due the commonwealth.

(b) Twenty-five per cent of the sums received by the commissioner under this section as proceeds of any tax imposed under this section after July 1, 2007 shall be deposited in the Municipal Property Tax Exemption Reimbursement Fund established under section 35DD of chapter 10 to be used for the purpose of reimbursing cities and towns for taxes abated under clause Forty-first, Forty-first B or Forty-first C of section 5 of chapter 59. The balance of the sums received by the commissioner under this section as excise, penalties or forfeitures, interest, costs of suit and fines shall at least quarterly be distributed, credited and paid by the state treasurer upon certification of the commissioner to each city or town that has adopted this section in proportion to the amount of the sums received from the transfer of occupancy in that city or town.

(c) This section shall take effect in a city or town that accepts it as provided in section 4 of chapter 4. This section shall take effect on the first day of the calendar quarter following 30 days after this acceptance, or on the first day of a later calendar quarter that the city or town may designate. The city or town, in accepting this section, may not revoke or otherwise amend the applicable local tax rate more often than once in any 12-month period.

(d) The commissioner of revenue shall make available to any city or town a report of the total amount of room occupancy tax collected in the preceding fiscal year in the city or town requesting the information.

SECTION 29. Chapter 64H of the General Laws is hereby amended by inserting after section 2 the following section:-

Section 2A. (a) Any city or town which accepts this section may impose a local sales tax upon the sale of restaurant meals originating within the city or town by any vendor at a rate of up to, but not exceeding, 2 per cent of the gross receipts of the vendor from the sale of restaurant meals. No excise shall be imposed if the service is exempt under section 6. The vendor shall pay the local sales tax imposed under this section to the commissioner at the same time and in the same manner as the sales tax due to the commonwealth.

(b) Twenty-five per cent of the sums received by the commissioner under this section as sales, penalties or forfeitures, interest, costs of suit and fines shall be deposited in the Municipal Property Tax Exemption Reimbursement Fund established under section 35DD of chapter 10 to be used for the purpose of reimbursing cities and towns for taxes abated under clause Forty-first, Forty-first B or Forty-first C of section 5 of chapter 59. The balance of the sums received by the commissioner under this section shall at least quarterly be distributed, credited and paid by the state treasurer upon certification of the commissioner to each city or town that has adopted this section in proportion to the amount of the sums received from the sales of services in that city or town.

(c) This section shall take effect only in a city or town that accepts it as provided in section 4 of chapter 4. This section shall take effect on the first day of the calendar quarter following 30 days after this acceptance, or on the first day of a later calendar quarter that the city or town may designate.

(d) The commissioner shall make available to any city or town a report of the total amount of sales tax collected in the preceding fiscal year in the city or town requesting the information.

SECTION 30. Section 16 of chapter 71 of the General Laws, as so appearing, is hereby amended by striking out the first paragraph of clause (d) and inserting in place thereof the following paragraph: -

(d) To incur debt for the purpose of acquiring land and constructing, reconstructing, adding to, and equipping a school building or buildings or for the purpose of remodeling and making extraordinary repairs to a school building or buildings and for the construction of sewerage systems and sewerage treatment and disposal facilities, or for the purchase or use of such systems with municipalities, and for the purpose of purchasing department equipment; or for the purpose of constructing, reconstructing or making improvements to outdoor playground, athletic or recreational facilities; or for the purpose of constructing, reconstructing or resurfacing roadways and parking lots; or for the purpose of any other public work or improvement of a permanent nature required by the district; or for the purpose of any planning, architectural or engineering costs relating to any of the above purposes; provided, however that written notice of the amount of the debt and of the general purposes for which it was authorized shall be given to the board of selectmen in each of the towns comprising the district not later than 7 days after the date on which the debt was authorized by the district committee; and no debt may be incurred until the expiration of 60 days after the date on which the debt was authorized; and before the expiration of this period any member town of the regional school district may hold a town meeting for the purpose of expressing disapproval of the amount of debt authorized by the district committee, and if at that meeting a majority of the voters present and voting express disapproval of the amount authorized by the district committee, the debt shall not be incurred and the district school committee shall prepare another proposal which may be the same as any prior proposal and an authorization to incur debt therefor. Debt incurred under this section shall be payable within 30 years, but no such debt shall be issued for a period longer than the maximum useful life of the project being financed as determined by the regional district school committee.

SECTION 31. Clause (iv) of paragraph (a) of section 1 of chapter 3 of the acts of 2004 is hereby amended striking out the words “year 2007” and inserting in place thereof the following words:- years 2007, 2008 and 2009.

SECTION 32. Clause (v) of paragraph (a) of said section 1 of said chapter 3 is hereby amended by striking out the figure “2008” and inserting in place thereof the following figure:- 2010.

SECTION 33. Clause (vi) of paragraph (a) of said section 1 of said chapter 3 is hereby amended by striking out the figure “2009” and inserting in place thereof the following figure:- 2011.

SECTION 34. (a) There shall be a special commission to study the uses of state technology at a municipal level. The commission shall consist of: the secretary of administration and finance or a designee, who shall serve as chair; a representative of the information technology division, a representative of the operational services division, a representative of the division of local services, a representative of the office of geographic and environmental information, a representative of the Massachusetts Municipal Association, a representative of the Metropolitan Area Planning Council and the chairs of the joint committee on municipalities and regional government.

(b) The study shall consider methods by which municipalities could benefit from technology used by the commonwealth, including but not limited to use of commonwealth websites for municipal purposes, use of commonwealth technology for purchasing, geographic information systems and other information services.

(c) The commission shall report not later than March 1, 2008, to the senate president, minority leader of the senate, senate committee on ways and means, speaker of the house of representatives, minority leader of the house of representatives and the house committee on ways and means.

SECTION 35. (a) There shall be a special commission to consider ways to grant increased local authority in areas currently requiring home rule petitions. The commission shall also investigate methods for providing incentives for best municipal fiscal practices and regionalization of municipal services in the following areas: (a) accounting, auditing, and financial reporting, (b) budgeting (including budget process, revenues and expenditure forecasting), (c) cash management, (d) debt management, (e) economic development and capital planning, (f) retirement and benefits administration, (g) energy cost management, and (h) regional alliances.

(b) The commission shall consist of: the secretary of administration and finance or a designee, who shall serve as chair, a representative of the division of local services, a representative of the Massachusetts Municipal Association, a representative of the Metropolitan Area Planning Council and the chairs of the joint committee on municipalities and regional government.

(c) The commission shall report not later than March 1, 2008, to the senate president, minority leader of the senate, senate committee on ways and means, speaker of the house of representatives, minority leader of the house of representatives and the house committee on ways and means.

SECTION 36. Fees or charges imposed by a city or town for the collection or disposal of solid waste before the effective date of this act shall be enforceable if they comply with subsection (f) of section 28C of chapter 44 of the General Laws, as amended by section 6 of this act.